

**MONTANA PUBLIC SERVICE COMMISSION
UTILITY DIVISION
AGENDA NO. 06-09-26**

Date Published: September 21, 2006

For Work Week Commencing: September 25, 2006

Commission Meeting: September 26, 2006, **8:30 a.m. (note earlier time)**

General Introduction This agenda is the Commission's Utility Division agenda for the work week designated. In the later part of each week (generally, Thursday by 2:00 p.m.) prior to the work week to which an agenda pertains, the agenda is posted on the public information bulletin board at the Commission offices, deposited in the mail directed to all persons who have properly requested notice by mail, emailed to all persons who have properly requested notice by email, and posted to the Public Service Commission's worldwide web site located at <http://www.psc.mt.gov>.

Place of Meetings All meetings are held at the Commission offices, 1701 Prospect Avenue, Helena, Montana, unless otherwise noted.

Live audio feed Unless otherwise noted on this agenda, all Commission meetings held during regular business hours that are noticed on this agenda will be webcast live via the audio feed link on the PSC website (<http://psc.mt.gov/eDocs/#Calendars>). The audio feeds of meetings are also archived at the same website location.

Inquiries General inquiries concerning this Utility Division agenda and subscribing to notice by mail may be made to Kate Whitney at (406) 444-3056. She may refer inquiries to another person within the agency.

Accommodation for Persons with Disabilities Anyone needing an accommodation for physical, hearing, or sight impairment in order to attend a scheduled meeting should contact the Commission secretary at (406) 444-6199 sufficiently prior to the meeting to allow accommodations to be made.

8:30 a.m. Weekly Scheduling (Commission Conference Room – No Web Audio Feed)

9:00 a.m. Business (Bollinger Room)

Public Comments

Action Items All items identified below are for action at the Commission business meeting.

1. Sprint Communications N2006.9.132 (Scott)

On September 7, 2006 Sprint filed Changes in Its Montana Price List. In this filing Sprint is requesting to grandfather several residential services.

Sprint request that this filing become effective October 1, 2006. Probable motion: Approve Sprint's tariff filing in N2006.9.132.

2. NORTHWESTERN ENERGY DOCKET NO. D97.11.219 (Eric)

On September 8, 2006, NWE filed its semi-annual true-up Advice Letter pursuant to Order No. 6035a. This filing is made by NWE in its role as servicer of the Natural Gas Transition Bonds. If the previous six-month period variance between the scheduled debt service and the actual amounts available to satisfy the scheduled debt service for such period exceeds 2 percent NWE is required to apply for adjustment to the Fixed Transition Amount (FTA) charges. The variance for the period was an over collection of 6.14 percent or \$229,945. A decrease in FTA-GP, FTA-RA(Core), FTA-RA Utility, and an increase in the FTA-RA (Non-Core) rates is necessary based on future payment obligations and projected market load. The new FTA rates should ensure enough funds are collected to make the next principal and interest payment. Probable motion: Approve the rate changes to the FTA charges to service the Natural Gas Transition Bonds effective October 1, 2006.

Work Sessions All items identified below are for Commission discussion or action on the day designated.

1. D2005.4.49, and D2006.9.137 – Mountain Water Company – Request to extend the time to file pursuant to Order 6644d, ordering paragraph 4, from 9/15 to 12/15/06 – To act on the request for extension. To provide the opportunity to act on the tracker. (The filing does not require action) (9/26/06)
2. D2005.10.156 – MDU – Application for approval of natural gas conservation programs – Discuss/act on filing, direction to staff regarding preparation of final order. (9/26/06)
3. D2004.7.99, D2004.12.192, and D2005.6.106 – NWE – Consolidated dockets on gas and electric USB programs and charges – Discuss reconsideration of August 15, 2006 decision to direct staff to draft a final order making permanent the USB allocations in Interim Order 6679a, issued November 2, 2005. (9/26/06)
4. D2006.6.82 – NorthWestern Corporation - Joint application of NWC and BBI Limited, BBI US Holding Pty. Ltd., BBI US Holdings II Corp., and BBI Glacier Corp. for approval of the sale and transfer on NWC pursuant to a merger agreement – Placeholder—Discuss and act on any matters related

to discovery in this docket and the Commission's Order No. 6754a.
(9/26/06)

5. D2005.7.110 – City of Great Falls/Electric City Power, Inc. – Application by the City of Great Falls to operate a limited small commercial and residential electricity supply program – Discuss and act on final order.
(9/26/06)
6. D2006.8.114 – Havre Pipeline Co. – Application of Havre Pipeline Company to increase rates and charges for farmstead services - Discuss and act on Havre Pipeline Co.'s request for interim rates. (9/26/06)
7. 2007 legislative session – discuss potential PSC legislation. (9/26/06)

Other Meetings

Weekly Scheduling – Will be held at **8:30 a.m.** on the day of the Commission Meeting

Notice Items All items identified below are noticed for public participation purposes. Unless otherwise stated in the text of the notice, the items will be action items on the next following agenda or a subsequent agenda and participation may be had by submitting written comments to the Public Service Commission, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana, 59620-2601, within 5 calendar days following publication of this agenda. Public comments on a noticed matter may also be submitted within the required time through the PSC's web-based comment form at <http://psc.mt.gov/Consumers/comments>. Comments should reference the docket number of the matter.

1. Qwest N2006.9.135 (Scott)

On September 15, 2006, Qwest filed Tariff Transmittal 06-16. In this filing Qwest is requesting to update certain definitions and terms and conditions associated with a number of Custom Calling service.

2. Qwest N2006.9.136 (Scott)

On September 15, 2006, Qwest filed Tariff Transmittal 06-15 Residence Qwest Choice™ Home plus Promotion. During the promotion period from October 15, 2006 through January 12, 2007, residence customers who purchase Qwest Choice™ Home Plus or Qwest Choice™ Two-line Home Plus will receive a credit of \$7.00 per month for the first three months that they have the package. This promotion is available on all Change, New Connect or Transfer of Service orders placed during the promotional period and where facilities are available.

Protective Orders – Notice Items The Commission has received the following requests for protective order pursuant to ARM 38.2.5007. The Commission will rule on the requests no earlier than 10 days after the publication date of this agenda. Comments on the requests may be submitted at any time prior to ruling. Any person wanting a copy of a protective order request should contact the Commission at (406) 444-6199.

1. NorthWestern Corporation D2006.6.82 (AI)

On September 15, 2006, NorthWestern Corporation (NorthWestern) filed a Motion for a Protective Order. NorthWestern seeks protection for the minutes of meetings of NorthWestern's Board of Directors for the period January 1, 2005 through the present and any related information which it may later have to provide in response to follow-up discovery or PSC inquiry.

2. NorthWestern Corporation D2006.6.82 (AI)

On August 22nd Babcock & Brown Infrastructure Limited (BBIL), who along with Babcock and Brown Infrastructure Trust form Babcock & Brown Infrastructure (BBI) filed a Motion for a Protective Order. BBIL seeks protection for that portion of the minutes of the meetings of the Boards of Directors of BBIL and its parent at which NorthWestern Corp. and its potential acquisition were discussed that disclose the internal rate of return tolerances used to arrive at the final offer submitted to NorthWestern's Board of Directors.

Protective Orders – Information Items The Commission has issued the following protective orders. These orders may be challenged pursuant to ARM 38.2.5008. Copies of these orders may be obtained by calling the Commission at (406) 444-6199

1. NorthWestern Corporation D2006.6.82 (AI)

On September 12, 2006, the Commission issued Order 6754a granting NorthWestern Corporation (NorthWestern) and/or Babcock & Brown Infrastructure's (BBI) motions for a protective order for the following:

1. Minutes of meetings of the energy supply boards;
2. The identities of entities that submitted bids to acquire NorthWestern;
3. The non-public portion of documents provided by NorthWestern to prospective bidders;
4. Communications between NorthWestern or BBI and debt rating agencies; and
5. BBI's Acquisition Model.

The Commission denied all other portions of NorthWestern and BBI's motions.

Information Items All items identified below are for information only.

New Filings Received in Past Week

N2006.9.135 – Qwest Corporation – Tariff Transmittal 06-16 – Update of custom calling definitions and terms and conditions.

N2006.9.136 - Qwest Corporation – Tariff Transmittal 06-15 – Residence Qwest choice home plus promotion.

D2006.9.137 – Mountain Water Company – Application for power cost tracking adjustment.